

Jordan senate meets as protests over IMF-backed austerity continue



AFP AMMAN: Jordan's senate met yesterday for a special session after another night of protests across the country against IMF-backed austerity measures including a draft income tax law and price hikes.

Some 3,000 people faced down a heavy security presence to gather near the prime minister's office in Amman until the early hours of last morning, waving Jordanian flags and signs reading "we will not kneel".

Protests have gripped the country since Wednesday, when hundreds responding to a call by trade unions, flooded the streets of Amman and other cities to demand the fall of the government. Last month, the government proposed a new income tax law, yet to be approved by parliament, aimed at raising taxes on employees by at least five percent and on companies by between 20 and 40 percent. The measures are the latest in a

series of economic reforms since Amman secured a \$723m three-year credit line from the International Monetary Fund in 2016.

The senate convened hours after protests ended yesterday to discuss “ways of dealing with draft law... in the interest of all parties”, Jordan’s official Petra news agency said. Senate speaker Faisal Al Fayez said there was a need for “comprehensive national dialogue” on the law, echoing an earlier call by King Abdullah II.

Fayez said the government should “balance economic challenges and pressures with the interests of different social sectors”, but cautioned against violence and called on authorities to bring “troublemakers” to justice. Since January, Jordan – which suffers from high unemployment and has few natural resources – has seen repeated price rises including on staples such as bread, as well as extra taxes on basic goods. The price of fuel has risen on five occasions since the beginning of the year, while electricity bills have shot up 55 percent since February.

The IMF-backed measures have sparked some of the biggest economic protests in five years. Overnight, protesters outside Prime Minister Hani Mulki’s office shouted slogans including “the ones raising prices want to burn the country” and “this Jordan is our Jordan, Mulki should leave”. Demonstrators tussled with security forces and some fainted, but others smoked water pipes and one sat on the pavement and played the Arabian lute, or oud.

In another part of the city, security forces used tear gas to prevent hundreds of demonstrators from joining the rally near Mulki’s office, Jordanian news websites reported. “Women have started looking in rubbish bins to find food for their children, and every day we’re hit by price hikes and new taxes,” said one protester.

Bank employee Mohammad Shalabiya, 28, said demonstrators wanted “to tell the government that the citizen’s income isn’t suitable for this kind of law and that we have a right to demonstrate”. Lina Rsheidat, 35, a housewife with a red

keffiyeh scarf around her neck, said the proposed law was “unjust” and would “harm the Jordanian people”.

According to official estimates, 18.5 percent of the population is unemployed, while 20 percent are on the brink of poverty. The Economist Intelligence Unit earlier this year ranked Jordan’s capital as one of the most expensive in the Arab world. “The popular movement... has surprised the government,” Adel Mahmoud, a Jordanian political analyst, said. Discontent could “snowball... triggering a domestic crisis”, he said, adding that he expected protests to continue until demands are met.

Jordan, a key US ally, has largely avoided the unrest witnessed by other countries in the region since the Arab Spring revolts broke out in 2011, although protests did flare late that year after the government cut fuel subsidies.

QP acquires 30% stake in 2 ExxonMobil affiliates



Qatar Petroleum (QP) has signed an agreement with ExxonMobil to become a 30% equity holder in two ExxonMobil affiliates in Argentina that hold different interests in hydrocarbon licences for seven blocks in the world-class Vaca Muerta play in the onshore Neuquén basin.

QP president and CEO Saad Sherida al-Kaabi and ExxonMobil Corporation senior vice president and principal financial officer Andrew P Swiger signed agreements on Sunday in Doha.

The agreements will give QP a 30% shareholding in ExxonMobil Exploration Argentina SRL and Mobil Argentina SA, which hold rights with other partners for seven blocks under unconventional exploration licenses with active drilling plans, as well as exploitation licences with pilot drilling and production.

Al-Kaabi said: "We are pleased to enter into an agreement with our longtime partner ExxonMobil, and to participate in the further development of the Vaca Muerta unconventional resource in Argentina.

"This is an important milestone as it marks Qatar Petroleum's first investment in Argentina, as well as its first significant international investment in unconventional oil and gas resources. We look forward to working with ExxonMobil to leverage our combined world-class capabilities to unlock the potential of these assets for the benefit of all stakeholders."

Swiger said the agreement builds on ExxonMobil's "longstanding and successful" partnership with QP, "and underscores our commitment to develop Argentina's resources to further support domestic production of oil and natural gas."

The Vaca Muerta shale in the Neuquén province in western Argentina is considered among the most prospective unconventional shale oil/gas plays outside North America. Activity in the basin has picked up recently, mainly due to

governmental incentives and rising domestic energy demand. A number of international operators have established presence in the basin and announced ambitious investment plans.

ExxonMobil's wholly-owned subsidiary, XTO Energy, which is among the world leaders in unconventional oil and gas operations, is providing operational support to the two ExxonMobil affiliates concerned in Argentina, including developing detailed appraisal and development plans for these assets based on recently-drilled wells and pilot production testing.

In addition, the implementation of leading technologies will be a priority for the partners in order to maximise the value to all stakeholders, while preserving the highest safety standards and reducing operating costs. Page 2

QP eyes oil production growth in next 10 years

Qatar Petroleum is planning to expand its production capacity from its current 4.8mn barrels per day equivalent of oil to 6.5mbpd in the next eight to 10 years, said president and CEO Saad Sherida al-Kaabi.

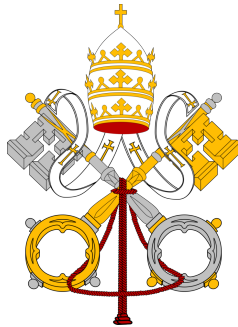
Al-Kaabi, who made the announcement during a signing ceremony with ExxonMobil in Doha yesterday, said the planned growth in production capacity is part of QP's long-term strategy.

Similarly, al-Kaabi said the agreement signed between QP and ExxonMobil yesterday "is an important milestone on the road to expanding our international footprint, which is an important part of Qatar Petroleum's growth strategy."

He added: "It goes hand-in-hand with the planned expansion of our local production from the North Field, which will further boost Qatar's leading global position by raising its LNG production from 77mn to 100mn tonnes per year; and with the recently announced Petrochemicals Complex project, which includes the largest ethane cracker in the Middle East, and

one of the largest in the world.”

Pope Francis to discuss climate change with oil company CEOs



Bloomberg/London/Rome

Oil company bosses will travel to the Vatican this week to discuss climate change with Pope Francis.

The meeting will be on June 8 and June 9 at the Casina Pio IV villa in the Vatican, with an audience with the Pope on the

second day, according to a spokesman. It is being organized by a department headed by Cardinal Peter Turkson, who helped write Pope Francis' 2015 encyclical on climate.

"We look forward to the dialogue, and the opportunity to discuss how we can address climate change and opportunities in the energy transition," a spokesman for Equinor ASA, Norway's largest oil company, said in an e-mailed statement on Friday.

BP chief executive officer Bob Dudley will also travel to Rome for the meeting arranged by the University of Notre Dame, according to people familiar with the talks. The Pope has made climate change a cornerstone of his papacy, saying in an encyclical letter that the science around the topic is clear and that the Catholic Church should view it as a moral issue.

A spokeswoman for BP declined to comment. Exxon Mobil Corp and Eni SpA will also participate in the meeting, according to reports from Axios and Reuters. A spokesman for Royal Dutch Shell declined to comment on whether its CEO would be involved.

The University of Notre Dame didn't respond to requests for comment.

Trial by fire: A year into the siege, Qatar's economy has proved its tenacity



Roudi Baroudi

It has been a year since the Kingdom of Saudi Arabia and a few

other regional countries launched an attempt to subjugate Qatar by strangling the latter's economy with an illegal air, land, and sea blockade. They have failed, and spectacularly so.

The effort – based largely on unsubstantiated accusations of Qatari support for terrorism but actually rooted in Saudi ambitions – has forced Qatar to spend more than it had budgeted, but money is one thing that the world's largest exporter of LNG has no trouble obtaining. After a brief period of uncertainty, therefore, economic activities returned to their usual heady pace, and business is booming in most key sectors.

There were initial concerns about shortages of some food products and other imports, for instance, but prompt government action and the responses of certain friendly countries (most prominently Turkey) have emphatically quashed both short and medium-term fears. In addition, the experience has prompted Qatar to implement long-term food security plans that will blunt any future attempts at external blackmail. Some were worried, too, that what has become the longest air blockade since World War II would wreak havoc on the transport sector.

Qatar Airways, a widely recognised symbol of Qatar's emergence as a genuine player on the international stage, was indeed inconvenienced by losing access to the airspace over KSA, the United Arab Emirates, Egypt, and Bahrain. While the flag carrier has been forced to take longer routes and use more fuel, however, it has only redoubled its resolve to keep Qatar connected with the rest of the world.

The airline was proud to carry the first emergency supplies into the country following the imposition of the blockade, and it has added (or announced plans to add) some two dozen new destinations over the past year. In the process, Qatar Airways also picked up no less than 50 individual awards in 2017,

including “World’s Best Business Class” and “Best Airline in the Middle East”. In fact the primary victims of the Saudi-led campaign have been innocent citizens of Qatar and the very countries trying to isolate it: Some 16,000 GCC families with one or more dual-national members have been cruelly torn apart by the blockade, including thousands of children separated from at least one parent. If anything, the experience has only strengthened compassion and solidarity in Qatari society, with nationals and foreign residents alike offering mutual support to bolster resilience in the face of the embargo. Never has there been stronger collective resolve to defend Qatar’s freedom and independence.

Both the resilience and the resolve have been bolstered by the performance of the marine transport industry. The siege has not only sharply curtailed Qatar’s shipping and trans-shipping options (leaving Oman and Kuwait as its only GCC outlets), but also closed its only land border (with KSA), completely eliminating overland trade. Once again, this has imposed a few new costs and prompted a few added concerns, but Qatar’s ports are reaping the rewards: the numbers of both inbound and outbound cargo shipments have risen dramatically, spinning up business for everything from modern bulk and container terminals to small local harbors and the ancillary enterprises that serve them.

In the all-important energy sector, initial concerns about possible supply disruptions have been successfully addressed, with Qatar once again leading the world in LNG exports. In addition, Qatar Petroleum has announced plans to increase LNG production from 77 million tons per annum to 100 million MTPA, which should guarantee its No. 1 exporter status for another 20–25 years. Alongside the LNG expansion, Qatar also is scaling up its already world-class petrochemical industry, with QP recently announcing plans to build a massive new complex at Ras Laffan. The company is seeking qualified partners for the enormous project, which is centred on what

will be the largest ethane cracker in the Middle East, and one of the largest anywhere, plus several derivatives plants, consolidating Qatar's position as a major player in global petchem markets.

Moreover, the entire episode has only underlined the stabilising role that Qatar has long played in the dynamics of global energy security by, inter alia, continuing to stress dialogue and diplomacy as the best means of boosting market stability, thereby protecting the interests of producers and consumers alike. Faced with serious obstacles thrown up by the blockade, Qatar's energy sector moved quickly and decisively to ensure that its obligations would be met, and this despite conditions meeting the definition of force majeure.

It fine-tuned the tasking and disposition of its LNG carrier fleet, making even more efficient use of these assets to ensure timely deliveries to TransAtlantic, Trans-Pacific, Mediterranean, and Indian Ocean clients. It expanded and deepened cooperation with buyers and sellers to better coordinate supply with demand, further burnishing its credentials as a reliable partner. As a consequence, Qatar reaffirmed its unmatched ability to protect security of supply at any point in time, improving both security and competitiveness in world markets.

Qatar was likewise successful in demonstrating that it remains a highly attractive place to do business. Since the unlawful siege began, the government has continued to secure new foreign direct investment from some of the world's most important oil and gas companies, including ExxonMobil, Shell, and TOTAL. Over the same period, more than 120 entities received licensing from the Qatar Financial Center, a massive increase on the previous 12-month period for the QFC platform, which confers significant benefits on registered companies, including legal and financial environments based on English common law.

Going forward, all available data suggest that the leadership's response to the crisis, and Qatar's world-class financial and economic credentials, have enabled business activity to remain as robust as ever. In fact, senior officials expect growth of about 3% for 2018, meaning that in spite of the blockade, Qatar's economy will out-perform those of most neighboring countries. In addition to all of these economic and financial successes, Qatar also has used the past year to achieve significant advances in social policy.

Nowhere was this more prominent than in the area of progressive new labor legislation, particularly as regards expatriate workers. New laws passed in 2017 give such workers several new protections, including guarantees for regular payment of wages into local bank accounts, development of mechanisms to resolve labor disputes, and the establishment of a new committee to counter human trafficking. On the geopolitical level, the entire episode has only increased Qatar's soft power by attracting the sympathy of governments and people around the world, the great majority of whom know a manufactured crisis when they see one.

On the other hand, the failed Saudi-led attempt to isolate Qatar has managed to both exacerbate existing tensions within the GCC and to generate new ones. It also has divided much of the Arab and Islamic worlds, forced smaller countries to make impossible choices, and exposed the extent to which some governments use their financial resources to bribe or coerce those of less affluent societies. The crisis even briefly divided the top echelons of the Trump Administration in its early days. Since then, Washington has been consistent in advocating a peaceful resolution of the dispute: President Trump has offered to mediate, and then-CIA Director Mike Pompeo (now secretary of state) visited Saudi Arabia in April to warn that "Enough is enough."

Washington also has reaffirmed its security commitments to Doha on other levels, including the continuation of its large

presence at Qatar's massive Al-Udeid Air Base. The facility, which hosts the headquarters of the Pentagon's Central Command and more than 10,000 US and allied troops, is far and away the most important staging point for coalition air operations against terror groups across the entire region, from Syria and Iraq to Yemen and Afghanistan. In addition, the US government has approved the sale of up to 72 F-15 fighter-bombers for the Qatar Emiri Air Force. Other major powers also have lined up to help Qatar maintain its independence and, if necessary, defend its borders.

Britain, for instance, has agreed to sell Qatar at least two dozen of its multi-role Eurofighter Typhoons; France has committed to providing at least 36 of its Rafale fighters, plus almost 500 of its latest VBCI armored vehicles; and Turkey has accelerated the deployment of its troops and equipment to its own recently activated base near Doha. Several countries have continued to plan and hold joint military exercises with Qatar, and Russia has agreed to cooperation in military supplies and air defense, possibly including sales of its highly touted S-400 system.

Given these and other manifestations of support, the position of the broader international community – i.e. those not susceptible to either largesse or intimidation – is not in doubt, which means that the longer the blockading countries and their followers try to bully Qatar, the more isolated they become. By contrast, the crisis has revealed the Qatari state to have ample planning and policymaking resources. This has allowed the leadership to carry out a comprehensive response to the unlawful siege, including emergency measures to dilute the initial shock of the blockade, the fostering of greater competition in the marketplace, improved energy efficiency, and a highly ambitious program of economic self-sufficiency – all underpinned by enormously successful diplomatic and public relations campaigns.

Overall, the outlook is very positive, which is far better

than anyone might have expected and indicates that Qatar will continue to play the roles for which it has become known on the world stage: championing the cause of stable, free-flowing, and competitive energy supplies; running an open, dynamic economy; providing cleaner fuels for customers around the world; developing massive new LNG capacity for global clients that will catalyse and stabilise global energy markets for years to come; advocating (and even mediating) dialogue over conflict; and exerting a moderating influence on an often volatile region.

Qatar is committed to Global Energy Partnership. All this helps to explain why Doha has refrained, on almost every level, from retaliating for the blockade by taking its own punitive measures. Solid energy policies have allowed Qatar to master the politics of LNG production and supply, and its gas sector has continued to honored all of its worldwide commitments, including those to buyers in the blockading countries. The latter are only shooting themselves in the foot by continuing their efforts to ostracise Qatar, and Doha works to maintain channels of communication so that if and when a change of heart is forthcoming, there are no obstacles to a reconciliation among brothers.

Roudi Baroudi is CEO of Energy and Environment Holding, an independent consultancy based in Doha.

**Exclusive: Qatar Petroleum
CEO says pushing ahead with**

expansion despite Gulf embargo



DOHA (Reuters) – State energy giant Qatar Petroleum will push ahead with its production expansion and foreign asset acquisition strategy to be on par with oil majors, despite a regional political and economic embargo on Doha, its chief executive said.

QP, which produces 4.8 million barrels of oil equivalent per day (boed), aims to boost its output to 6.5 million boed in the next 8 years, and is expanding its upstream business abroad, particularly in the United States, CEO Saad Al-Kaabi told Reuters.

Qatar is one of the Organization of the Petroleum Exporting Countries' smallest producers but is also one of the most influential players in the global liquefied natural gas (LNG) market due to its annual production of 77 million tonnes.

"We are in Mexico, we are in Brazil, we are contemplating investing in the U.S. in many areas, in shale gas, in conventional oil. We are looking at many things," Al-Kaabi said in an interview at QP's headquarters in Doha.

"We are looking very critically at the United States because we have a position there. We have the Golden Pass that we are investing in," he said.

Qatar Petroleum is the majority owner of the Golden Pass LNG terminal in Texas, with Exxon Mobil Corp and ConocoPhillips holding smaller stakes.

Al-Kaabi said "depending on the project's cost and feasibility" he expects to take a final investment decision on expanding the Golden Pass LNG by the end of the year.

"I'm not in the business of infrastructure. I'm not going to have a liquefaction plant only. It has to be something that will be linked with an upstream business that we would buy in the U.S. so we need to be naturally hedged," he added.

To maintain its dominance in the United States and Australia, QP is cutting costs at home and seeking to expand overseas through joint ventures with international companies.

"We will always go with one of our international partners that we have business with here in Qatar," Al-Kaabi said. "Some of our partners want to divest, some of our partners want to acquire something together."

QP is focusing on other opportunities in Mexico, Latin America, Africa and in the Mediterranean, he said. QP is also looking to enter Mozambique, where Exxon and Eni operate, he added.

Al-Kaabi said the share of overseas upstream production will be "a good portion" in the long-term but it won't compare to its share at home.

"Our strategy says we are going to expand in upstream business

with a little bit of downstream that will be connected to some other businesses that we are doing and a few one-off deals in petrochemicals," he said.

PRODUCTION EXPANSION

For Qatar, which is locked in a dispute with four Arab states, broadening its investments outside the Middle East would cement its position as the world's largest LNG supplier and help it to weather the boycott with its neighbors.

In June last year, Saudi Arabia, the United Arab Emirates, Bahrain and Egypt cut diplomatic, economic and transport ties with Qatar, accusing it of backing terrorism, a charge which Doha denies.

In an apparent show of strength, a month later QP announced plans to raise LNG production capacity by 30 percent to 100 million tonnes per year.

Qatar has lifted a self-imposed ban on the development of the North Field, the world's biggest natural gas field, which it shares with Iran, in April last year and announced a new project to develop its southern section, increasing output in five to seven years.

The announcement came at a time of an oversupply in the LNG market, but Al-Kaabi said such a glut would disappear in 2021-2022 driven by the rising demand for gas amid the global move towards cleaner fuels and climate change concerns.

QP has selected Japan's Chiyoda Corp for the front-end engineering and design (FEED) of the onshore facilities of the North Field expansion project and awarded McDermott a contract for the offshore engineering work, Al-Kaabi said.

QP has abandoned plans to debottleneck its existing liquefaction trains because it involved shutdowns and prompted safety concerns, and opted to build three new LNG trains, he said.

“Stay tuned,” Al-Kaabi said, when asked if QP’s announcement that the award to Chiyoda included a pre-investment for a fourth train as had been announced.

If QP decided to build a fourth train, that could mean possibly expanding gas production beyond 100 million tonnes per year.

Al-Kaabi said QP will award the engineering, procurement, and construction (EPC) contract for the first LNG train by the end of next year, with its start-up set for the end of 2023.

QP is in talks with international oil companies for the new expansion project. Oil companies operating in Qatar now include Exxon, Total and Royal Dutch Shell.

QP will make a decision on the foreign partners by the end of 2018, Al-Kaabi said.

“There are some new companies that have come and put forward some proposals ... but I don’t see the face of what we are doing and the companies that we have changing much.”

Qatar welcomes Maronite Patriarch with open arms





Maronite Patriarch Bechara Rahi has wrapped up a visit to Qatar aimed at serving the spiritual needs of Christian expatriates working in the country, addressing temporal issues relating to the Lebanese community there, and increasing the number of Qatari visitors to Lebanon.



One of the highlights came when Rahi laid the foundation stone for what will be Mar Charbel Church, the first Maronite church in a Gulf Cooperation Council country. The new facility will be built within the Religious Complex in Doha's Abu Hamour district, which houses places of worship for several Christian

denominations, including Roman Catholics, Anglicans, and Greek Orthodox.





Rahi, who serves as a Cardinal of the Roman Catholic Church and whose official title is Patriarch of Antioch and All the East, led a delegation that included Archbishop Francisco Montecillo Padilla, Apostolic Nuncio to Qatar and four other Gulf countries; Bishop Camillo Ballin, Apostolic Vicar of Northern Arabia; and Archbishop Samir Mazloun, and Archbishops Mazloun and Sayyah, Emeritus Curial Bishop of Antioch and Fr. Charbel Mhanna, Patriarchal Envoy for the Maronites in Qatar.



The patriarch was warmly received by numerous senior officials, chief among them the Emir, Sheikh Tamim bin Hamad al-Thani; the Prime Minister, Sheikh Abdullah bin Nasser bin Khalifa al-Thani; the Foreign Minister, Sheikh Mohammed bin Abdel-Rahman al-Thani; and the Minister of Environment and Municipalities, Mohammed bin Abdullah al-Rumaihi. The delegation was accompanied to these meetings by businessman Roudi Baroudi, a prominent member of the Lebanese business community in Doha.



At each stop, Qatari leaders expressed their gratitude and their respect for Lebanese expatriates, who have been instrumental in diluting the impact of efforts by Saudi Arabia and certain other countries to strangle Qatar's economy since mid-2017. Many Lebanese of all faiths have even put off plans to return to their homeland, standing shoulder to shoulder with their hosts to help Qatar maintain strong growth despite the resulting pressures.



Rahi, who was making his third visit to Doha since becoming Patriarch in 2011, also addressed practical considerations in order to strengthen the Qatari-Lebanese relationship, including a streamlining of the processes by which Lebanese

expatriates obtain residency and other status documents in Qatar. He also called for a lifting of the travel advisory that Doha has had in place for Lebanon since November 2017, when Lebanese Prime Minister Saad Hariri resigned under highly suspicious circumstances while visiting Saudi Arabia in November 2017.

رودي بارودي: اتفاق تفاوضي جيد من خلال وساطة أو تحكيم طرف ثالث قد يعني نصراً أكبر بكثير للبنان



شدد الخبير النفطي الدولي رودي بارودي على أن التوصل الى اتفاق تفاوضي جيد من خلال وساطة أو تحكيم طرف ثالث ، قد يعني نصراً أكبر بكثير للبنان بدل إسرائيل في النزاع الحاصل حول النفط والغاز في البحر.

واكد بارودي الذي شارك في مؤتمرات دولية عدة آخرها في قبرص ، أن

هناك عوامل أخرى تبشر بالخير بالنسبة إلى الآفاق القانونية اللبنانية القصيرة والطويلة المدى، بما في ذلك حقيقة أن الجزء من البلوك 9 الذي تهتم به توتال وآني ونوفاتيك، يكمن بوضوح في المياه اللبنانية، وهذا يترك مجالاً واسعاً لحل وسط وقصير الاجل، على الأقل يسمح بالاستكشاف في المناطق غير الخاضعة للنزاع مع ترك أسئلة أكثر صعوبة في وقت لاحق.

ولفت بارودي الى أن نوعية المعلومات التي قدّمها لبنان إلى الأمم المتحدة والأطراف الأخرى المهمة تعطي أهمية كبيرة لموقفها وبأكثر من طريقة وأضاف بارودي إن الجانب اللبناني استخدم الرسوم البيانية للهندسة البحرية البريطانية الأصلية كنقطة انطلاق للحدود الجنوبية لمنطقتها الاقتصادية الخالصة، ما يضفي صدقيّةً أكبر على معارضتها.

واوضح الخبير النفطي أن لبنان وقع وصادق على الاتفاقية الدولية الاساسية في شأن ترسيم الحدود البحرية عام 82، إلا أن إسرائيل لم تفعل ذلك، وبناء على ذلك فإنه لا توجد آلية ملزمة يمكن بموجبها لأي من لبنان وإسرائيل ان تحيل الحدود البحرية إليها من أجل حلها، من دون موافقة صريحة من الجانب الآخر.

ولفت بارودي إلى انه بما ان اسرائيل وقعت اتفاقية منطقة اقتصادية حصرية مع قبرص فإن لدى لبنان خيارات على هذا المستوى. وتحدث بارودي عن الجهود الدبلوماسية المعقدة بسبب العديد من العوامل التي تعيق طرق حل النزاع، خصوصاً أن لا علاقات دبلوماسية بين لبنان وإسرائيل.

وشرح الخبير النفطي الدولي أن تحفظات لبنان في ما يتعلق بتعيين محكمة العدل الدولية أو اي طرف ثالث لحل النزاع الحدودي البحري ذات شقين:

أولاً: المخاوف من أن تسعى إسرائيل لتشريع اي اتفاق لإحالة النزاع البحري الى محكمة العدل الدولية او اي محكمة اخرى بعد موافقة لبنان على إخضاع كل القضايا الحدودية لحل هذه الهيئة. ثانياً: القلق من أن اي اتفاق مباشر مع إسرائيل على طلب مشاركة طرف ثالث على النزاع، يمكن اعتباره اعترافاً بحكم الواقع وبحكم القانون لإسرائيل.

وأضاف بارودي: إن هناك عناصر معينة تجعل النزاع اللبناني

الإسرائيلي مزيداً من بعض النواحي ، لكن الظروف العامة في هذه الحالة ليست عادية ، وشرح أن كل ولاية ساحلية على كوكب الأرض لديها منطقة بحرية واحدة على الأقل تتداخل مع منطقة أخرى ، ولا يزال العديد من هذه النزاعات من دون حل.

وأشار إلى ان العديد من المعاهدات البحرية الثنائية التي تم التوصل اليها ، تعارضها البلدان المجاورة ذات المناطق المتداخلة، كما هو الحال مع معارضة لبنان للإتفاق الاسرائيلي-القبرصي.

New Energy era for Europe “there for the taking”





ATHENS: Offshore gas from the Eastern Mediterranean could usher in a new era of energy independence and economic renaissance for Europe, a regional energy expert told a high-profile industry conference in Athens on Friday.

“Almost instantly, the flow of East Med gas into Europe would mean additional diversification and flexibility of supply, closely followed by enhanced competitiveness for European industry, accelerated economic growth, and dramatic long-term improvements for public finances,” Roudi Baroudi, a veteran of more than 36 years in the oil and gas business, told the Athens Energy Conference.

While “East Med gas would be more of a complement than a competitor to supplies already flowing ... from Russia” and other countries, he explained, other factors were also likely to help Europe diversify its energy supply, putting downward pressure on prices and “reducing the potential impact of possible interruptions elsewhere”.

Baroudi, who currently serves as CEO of Energy and Environment Holding, a Doha-based independent consultancy, has advised governments, companies, and multilateral institutions on energy matters, even helping to craft policy for agencies of the European Union and the United Nations. Speaking on the sidelines of the conference, which drew a broad audience including senior figures from both the public and private sectors, he said the timing “could not be better” for Europe.

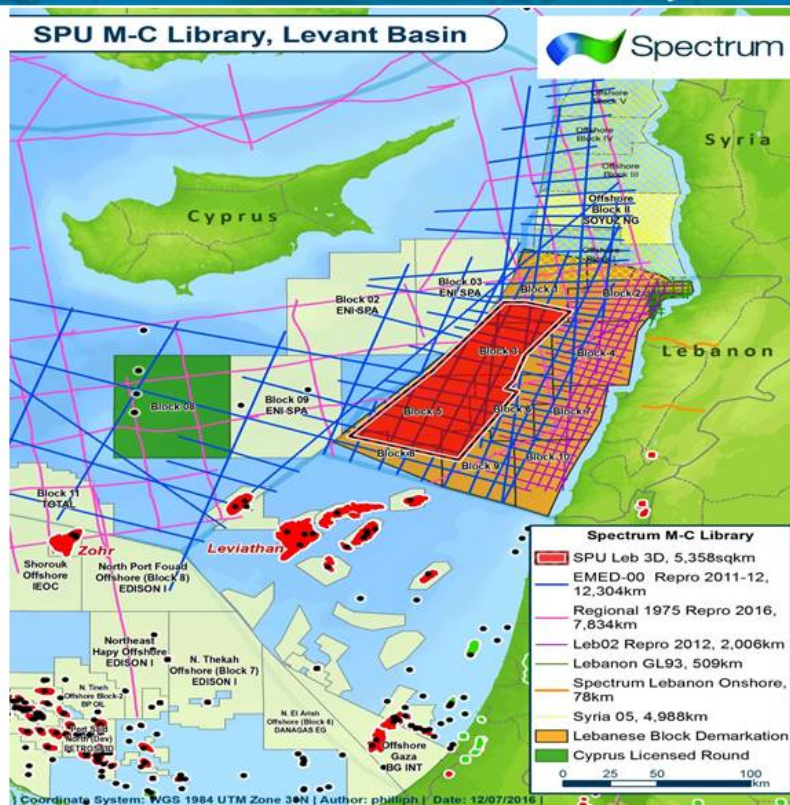
“Shale gas has made America another energy superpower alongside Russia and OPEC, and liquefied natural gas is now a fully fledged global commodity,” he said. “Plus, the East Med producers will be sitting on Europe’s doorstep, and several countries are already gearing up to start taking massive LNG

shipments. Decades of benefits for hundreds of millions of people, all there for the taking.”



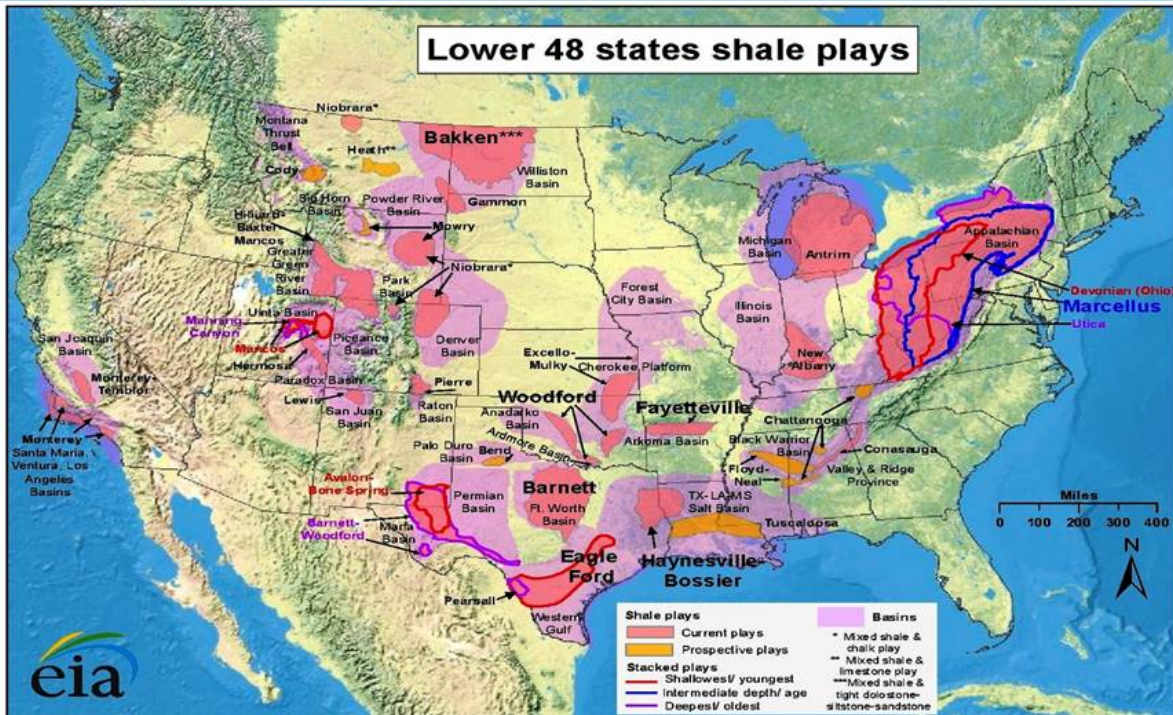
Athens Energy Forum 2018

Energy Security and Strategic Investments: The Way Forward



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Game-changer: "Shale O&G puts America on global energy stage"

And expected producer countries like Cyprus, Greece, and Lebanon, Baroudi added, stand to gain even more. "For a variety of historical reasons, most of these countries have not yet achieved the levels of development enjoyed in most of the European Union," he told the conference. "Given the potential rewards for their peoples, the governments involved have nothing less than a moral responsibility to take advantage of propitious circumstances by tapping the oil and gas wealth within their respective social, economic, and geopolitical reaches." Baroudi also has emphasized some of East Med countries are not party to UNCLOS but all countries are signatories to the UN Charter. Therefore, Baroudi reminded that all these countries are under an obligation to "settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered."

He also sounded notes of caution, however. For one thing, he

stressed the need for producer countries to ensure proper management of the proceeds from gas sales to pay social justice. For another, he reinstated on the same countries to avoid international tensions that might impede development of the sector.

GECF Doha meet seeks to further strengthen gas marke

The 18th ministerial meeting of the Gas Exporting Countries Forum (GECF) in Doha tomorrow will further explore ways to strengthen the global gas market, which faces numerous challenges including lower prices.

The Doha-headquartered GECF currently accounts for 42% of the global gas output, 67% of the world's proven natural gas reserves, 40% of pipe gas transmission, and 85% of global LNG trade.

The GECF seeks to increase the level of coordination and strengthen the collaboration among member countries, and to build a mechanism for a more meaningful dialogue between gas producers and consumers to ensure stability and security of supply and demand in global natural gas markets.

It also aims to support its members over their natural gas resources and their abilities to develop, preserve and use such resources for the benefit of their peoples, through the exchange of experience, views, information and coordination in gas-related matters.

Saudi Arabian Energy Minister Khalid al-Falih is expected to travel to the Qatari capital, Doha, this week for meetings with oil-producing countries on the sidelines of an energy

forum, three sources familiar with the matter said, according to a Reuters dispatch. Al-Falih is expected to meet other energy ministers from Opec and possibly Russian Energy Minister Alexander Novak on Friday, the sources said, speaking on condition of anonymity.

It was not immediately clear whether al-Falih would meet Iranian Oil Minister Bijan Zanganeh, the sources said, as there was no confirmation from Tehran yet on whether Zanganeh would attend the gas forum.

Qatar and Russia are members of the GECF, while Saudi Arabia is not.

The natural gas market is very dynamic and requires liquidity, flexibility and transparency for it to function effectively, GECF noted. It, therefore, needs multiple supply sources, users and comprehensive infrastructure for transmission and distribution. The natural gas market is highly developed in the US Europe and Asia.

Gulf crisis and gas: Why Qatar is boosting output



Qatar may be under economic siege but it pulled an ace from up

its sleeve on 4 July by announcing that it will bolster liquid natural gas production by some 30 percent.

The move will secure Doha's position for years to come as the world's top exporter of LNG.

Naser Tamimi, a Qatari energy analyst, told MEE: "It is a very significant announcement as it will put huge pressure on the LNG projects underway in countries with higher extraction costs. It also signals that Qatar is fighting for market share."

The announcement is also seen as a shot across the bows of Saudi Arabia and the UAE, the leads in the embargo, that Qatar is not buckling under the pressure.

Roudi Baroudi, the chief executive of Energy & Environment Holding, an independent consultancy in Doha, said: "The bottom line is this was a business decision. If politics had an impact, it was in the timing: it's possible that the move was accelerated in order to signal the country's resolve and ensure that if the siege persists, more revenues will be available to help soften the blow."

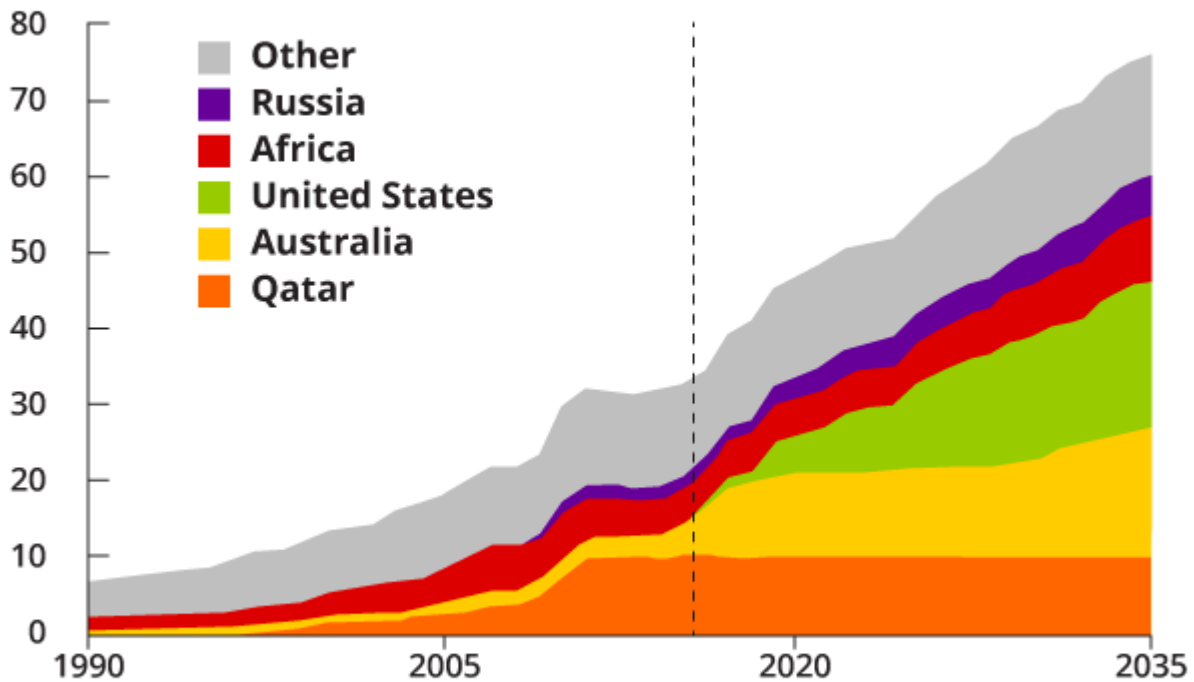
The Australia-US-Qatar tussle

Qatar had indicated earlier this year that it would increase LNG output by 15 million tonnes (MT) but it has more than doubled that figure to 33 MT. It brings annual production up from the current world-record of 77 MT to 100 MT.

Analysts have generally downplayed the timing of the announcement, which coincides with Doha rejecting the demands of Riyadh and its allies.

Liquid natural gas: Top suppliers 1990 -2035

*Billion cubic feet
per day*



Source: BP/2017 Energy Outlook



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But the move clearly shows that, at a global level, Qatar wields power when it comes to LNG. Claudio Steuer, director of SyEnergy, a UK-based energy consultancy focused on natural gas and LNG value chains, said: “Qatar’s timing is impeccable to exploit the weakness in the current US LNG business model, and pre-empt competition from Russia, Iran, East Africa and East Mediterranean.”

Australia is scheduled to become the world’s largest LNG supplier during the next two years, but it’s anticipated that Qatar will then be back on top by 2022 once new production from its huge offshore North Field begins producing.

The US is also increasing its output and expected to become the world’s third-largest LNG exporter by 2020, now that LNG export terminals have come online and the Trump administration

is pushing energy exports.

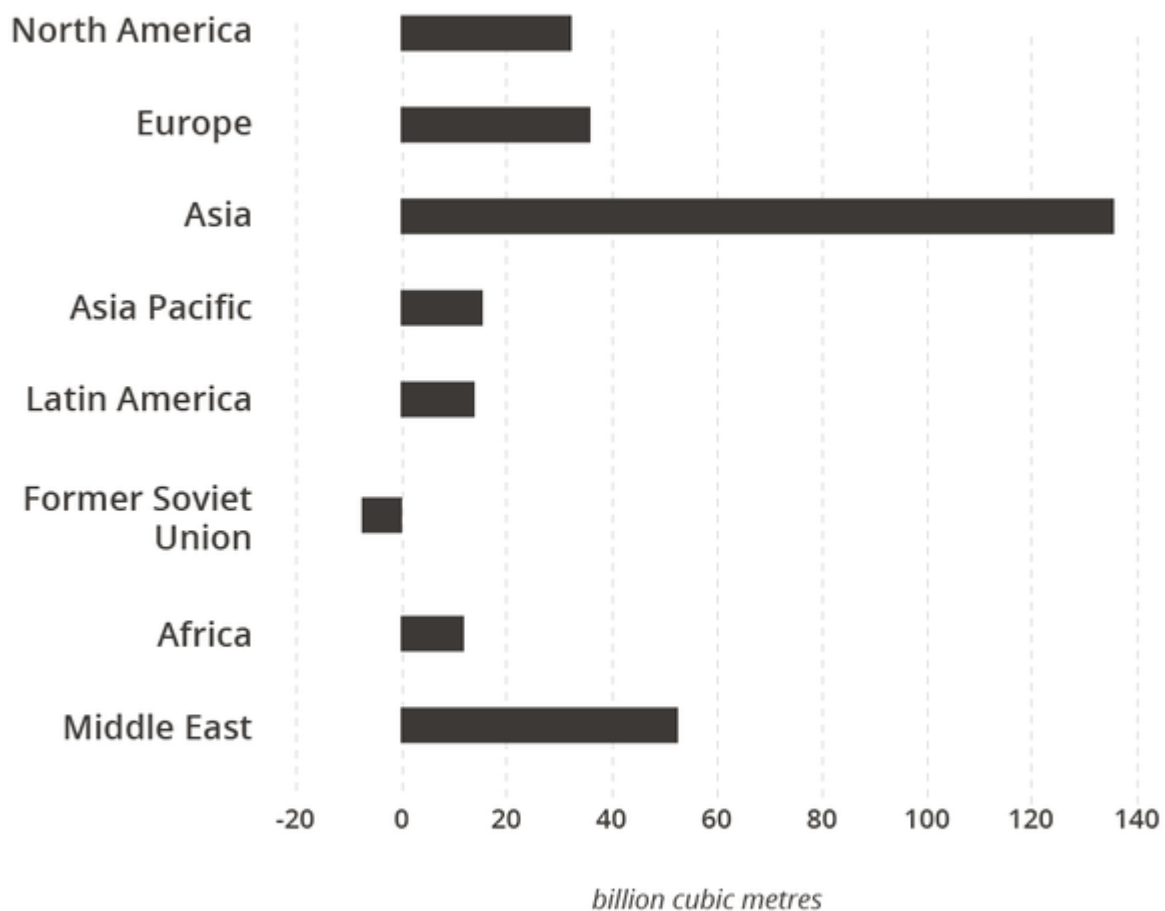
Qatar's increase will ward off such competition, primarily due to lower extraction costs in the North Field and at its liquefaction facilities, especially when compared with fracking in the US.

This will enable Doha to gain market share in countries with rising LNG demand, particularly in Asia, currently the destination for two-thirds of its LNG exports.

"Despite the strong US propaganda, the current US LNG projects costs and business model are not competitive in the growing southeast Asian markets," said Steuer.

He said that as things stand, the high costs of American LNG extraction only becomes competitive at oil prices of more than \$60 to \$70 a barrel, which will limit the scale of the expected surge of LNG supplies from the US. By way of comparison, oil prices have ranged from \$40 to \$50 a barrel during the past year.

Change in worldwide demand, 2015 – 2020



Source: Nexant



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Trevor Sikorski, head of gas and carbon at Energy Aspects, says that US gas producers will need around \$8 to \$8.50 per million British Thermal Unit (BTU) – a standard unit used for gas – to cover their capital expenditure costs and enjoy a return on their investment.

The Qataris, he said, will want a similar figure to cover investment in their new liquefaction trains – the part of an LNG plant which reduces the volume of the gas by chilling it to liquid form.

“But US costs are a dollar or two higher than what Qatar pays. If it’s a race to the bottom on prices, the US will lose.”

The risks ahead

But Qatar does face one risk: finding long-term buyers of its LNG to secure funding to underwrite the expansion.

Previous LNG projects were greenlit on the expectation of gas prices being double the current \$5 to \$6 per million BTU. Now, they’re struggling.

Qatar has managed to launch out projects, like the RasGas Train 6 – one of 13 liquefaction trains operated by state-owned RasGas and Qatargas – without long-term buyers to guarantee capital expenditures, which eases financing conditions.

Instead it operated on a “merchant basis” that reassures financiers with forecasts of rising demand.

That gamble paid off for Qatar in 2009, when RasGas 6 came online. In 2011 it was given a further boost when it used spare capacity to meet a sudden demand in LNG from Japan after the Fukushima nuclear disaster.

“They’ve taken that risk before and it worked well. If anyone can take that risk it is the Qataris,” said Sikorski.

Riyadh and Abu Dhabi will not be able to use leverage with international oil companies (IOCs) to prevent investment in Qatar. Majors like Royal Dutch Shell, Total and ExxonMobil – already heavily involved in Qatar – have already signalled their neutrality in the GCC crisis.

“I do not see any major show stoppers for Qatar in wanting to ramp up production,” said Steuer, “as all major oil and gas engineering and service providers would welcome the opportunity to secure new business in Qatar.”

The LNG expansion strengthens Qatar's ties with major oil companies while signalling to buyers that Doha can keep taps turned on, despite the crisis.

"Above all else, Qatar Petroleum must be sure it can keep its customers supplied," said Baroudi. "And they're not taking that step alone: they have partnered with some genuine heavyweights of the industry."

A blow to Saudi Arabia?

Opinion is divided as to whether Qatar's announcement raises the regional stakes in the global shift away from oil to gas.

Saudi Arabia and the Emirates, which are not gas exporters, will struggle to match Doha's output.

Shaybah, base for Saudi Aramco's LNG plant and oil production in Saudi Arabia's Empty Quarter in 2016 (AFP)

LNG is considered a cleaner fuel than oil. Major economies such as China, India and South Korea have been moving from coal power plants to gas to reduce pollution.

Steuer said: "As gas is the only fossil fuel with sustainable long-term prospects for the next 25 years, this only reinforces the current tensions involving Saudi Arabia and Qatar.

"As oil demand and prices decline, the economic power is gradually shifting away from oil-rich nations to gas and LNG rich nations. This game changes the balance of political and economic power in the Middle East."

Oil prices are key to balancing the budgets of Saudi Arabia and the UAE. Each needs target prices of \$90 and \$60 per barrel respectively in 2017 to balance the books, according to the Institute of International Finance.

Asia is considered the battleground between Qatar and Saudi Arabia for energy exports.

“I think the Saudis will lose more than the Qataris, as the Qataris depend on gas and condensate more than oil, which is not their main export,” said Tamimi. Oil accounts for around 50 percent of Saudi Arabia’s GDP and 85 percent of its export earnings, according to OPEC.

In December 2016, Russia overtook Saudi Arabia as the world’s largest oil producer. Moscow has also been expanding its market share in China, the world’s largest oil importer and third-biggest LNG importer.

“Saudi Arabia used to have 20 percent share of the Chinese market, in 2011, but in the first five months of 2017 it’s down to 11 percent,” said Tamimi. “It will be difficult or maybe impossible to regain that.”

But while Qatar’s LNG increase is equivalent to around 10 percent of global LNG capacity, Sikorski thinks it is “a bit of a stretch” to say that gas will replace oil dependency.

“To me this is a case of, ‘Look GCC, we [Qatar] are not dependent on you to make our economy work, we can expand our gas exports if you try to squeeze us, and we will continue to make a lot of money on that.’ That was the message to me, rather than saying LNG is the future and oil is dead.”



Paul Cochrane